

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**  
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 2 — 0 0 7

2. STATE:

Pennsylvania

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

January 1, 2002

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☒ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☐ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

Social Security Act, Section 1902

7. FEDERAL BUDGET IMPACT:

a. FFY 2002 ~~\$20,728,000~~ 3,213,711

b. FFY 2003 ~~\$20,728,000~~ 19,692,731

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 2.2-A, page 23d  
Attachment 2.6-A, pages 12c-120  
Supplement 8a and 8b to Attachment 2.6-A

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

10. SUBJECT OF AMENDMENT:

The Ticket to Work and Work Incentives Improvement Act (TWWIIA) of 1999 (P.L. 106-170), TWWIIA Basic Coverage Group and Medical Improvement Group

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Secretary of Public Welfare

12. SIGNATURE OF STATE AGENCY OFFICIAL:

*Feather O. Houstoun*

13. TYPED NAME:

Feather O. Houstoun

14. TITLE:

Secretary of Public Welfare

15. DATE SUBMITTED:

1/25/02

16. RETURN TO:

Commonwealth of Pennsylvania  
Department of Public Welfare  
P.O. Box 2675  
Harrisburg, PA 17105

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

January 29, 2002

18. DATE APPROVED:

APR 29 2002

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

January 1, 2002

20. SIGNATURE OF REGIONAL OFFICIAL:

*Claudette V. Campbell*

21. TYPED NAME:

CLAUDETTE V. CAMPBELL

22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR  
DIVISION OF MEDICAID & STATE OPERATIONS

23. REMARKS:

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ATTACHMENT 2.2-A  
PAGE 23d  
OMB NO.:

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| Citation | Groups Covered |
|----------|----------------|
|----------|----------------|

B. Optional Groups Other Than the Medically Needy  
(Continued)

|   |                          |   |
|---|--------------------------|---|
| 1902(a)(10)(A)<br>(ii)(XIII) of the Act | <input type="checkbox"/> | 23. BBA Work Incentives Eligibility Group -<br>Individuals with a disability whose net<br>family income is below 250 percent of<br>the Federal poverty level for a family of<br>the size involved and who, except for<br>earned income, meet all criteria for<br>receiving benefits under the SSI<br>program. See page 12c of Attachment<br>2.6-A |
|---|--------------------------|---|

|                                       |                                     |  |
|---------------------------------------|-------------------------------------|--|
| 1902(a)(10)(A)<br>(ii)(XV) of the Act | <input checked="" type="checkbox"/> | 24. TWWIIA Basic Coverage Group -<br>Individuals with a disability at least 16<br>but less than 65 years of age whose<br>income and resources do not exceed a<br>standard established by the State. See<br>page 12d of Attachment 2.6-A. |
|---------------------------------------|-------------------------------------|--|

|  |                                     |  |
|--|-------------------------------------|--|
| 1902(a)(10)(A)<br>(ii)(XVI) of the Act | <input checked="" type="checkbox"/> | 25. TWWIIA Medical Improvement Group -<br>Employed individuals at least 16 but<br>less than 65 years of age with a<br>medically improved disability whose<br>income and resources do not exceed a<br>standard established by the State. See<br>page 12h of Attachment 2.6-A. |
|--|-------------------------------------|--|

NOTE: If the State elects to cover this  
group, it MUST also cover the Basic  
Coverage Group described in no. 24  
above.

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Page 12c

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State/Territory: Pennsylvania

| Citation                                | Condition or Requirement   |
|---|--|
| 1902(a)(10)(A)<br>(ii)(XIII) of the Act | <p>(i) <u>Working Individuals with Disabilities - BBA</u></p> <p>In determining countable income and resources for working individuals with disabilities under the BBA, the following methodologies are applied:</p> <p>_____ The methodologies of the SSI program.</p> <p>_____ The agency uses methodologies for treatment of income and resources more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 4 (income) and/or Supplement 5 (resources) to Attachment 2.6-A.</p> <p>_____ The agency uses more liberal income and/or resource methodologies than the SSI program. More liberal methodologies are described in Supplement 8a to Attachment 2.6-A. More liberal resource methodologies are described in Supplement 8b to Attachment 2.6-A.</p> |

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| Citation | Condition or Requirement |
|----------|--------------------------|
|----------|--------------------------|

1902(a)(10)(A)  
(ii)(XV) of the Act

(ii) Working Individuals with Disabilities - Basic  
Coverage Group - TWWIIA

In determining financial eligibility for working individuals with disabilities under this provision, the following standards and methodologies are applied:

☐ The agency does not apply any income or resource standard.

NOTE: If the above option is chosen, no further eligibility-related options should be elected.

☒ The agency applies the following income and/or resource standard(s):

Income less than 250% of the Federal Poverty Income Guidelines.

Resources must be equal to or less than \$10,000.

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| Citation | Condition or Requirement |
|----------|--------------------------|
|----------|--------------------------|

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1902(a)(10)(A)  
(ii)(XV) of the Act (cont.)

Income Methodologies

In determining whether an individual meets the income standard described above, the agency uses the following methodologies.

☐ The income methodologies of the SSI program.

☐ The agency uses methodologies for treatment of income that are more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 4 to Attachment 2.6-A.

☒ The agency uses more liberal income methodologies than the SSI program. More liberal income methodologies are described in Supplement 8a to Attachment 2.6-A.

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Citation

Condition or Requirement

1902(a)(10)(A)  
(ii)(XV) of the Act (cont.)

Resource Methodologies

In determining whether the individual meets the resource standard described above, the agency uses the following methodologies.

Unless one of the following items is checked the agency, under the authority of section 1902(r)(2) of the Act, disregards all funds held in retirement funds and accounts, including private retirement accounts such as IRAs and other individual accounts, and employer-sponsored retirement plans such as 401(k) plans, Keogh plans, and employer pension plans. Any disregard involving retirement accounts is separately described in Supplement 8b to Attachment 2.6-A.

\_\_\_\_\_ The agency disregards funds held in employer-sponsored retirement plans, but not private retirement plans.

\_\_\_\_\_ The agency disregards funds in retirement accounts in a manner other than those described above. The agency's disregards are specified in Supplement 8b to Attachment 2.6-A.

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| Citation                                      | Condition or Requirement  |
|---|---|
| 1902(a)(10)(A)<br>(ii)(XV) of the Act (cont.) | <input checked="" type="checkbox"/> The agency does not disregard funds in retirement accounts.   |
|   | <input checked="" type="checkbox"/> The agency uses resource methodologies in addition to any indicated above that are more liberal than those used by the SSI program. More liberal resource methodologies are described in Supplement 8b to Attachment 2.6-A. |
|   | <input type="checkbox"/> The agency uses the resource methodologies of the SSI program.   |
|   | <input type="checkbox"/> The agency uses methodologies for treatment of resources that are more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 5 to Attachment 2.6-A.                                       |

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| Citation | Condition or Requirement |
|----------|--------------------------|
|----------|--------------------------|

1902(a)(10)(A)  
(ii)(XVI) of the Act

(iii) Working Individuals with Disabilities -  
Employed Medically Improved Individuals -  
TWWIIA

In determining financial eligibility for employed medically improved individuals under this provision, the following standards and methodologies are applied:

☐ The agency does not apply any income or resource standard.

NOTE: If the above option is chosen, no further eligibility-related options should be elected.

☒ The agency applies the following income and/or resource standard(s):

- Income less than 250% of the Federal Poverty Income Guidelines
- Resources must be equal to or less than \$10,000

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| Citation | Condition or Requirement |
|----------|--------------------------|
|----------|--------------------------|

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1902(a)(10)(A)  
(ii)(XVI) of the Act (cont.)

Income Methodologies

In determining whether an individual meets the income standard described above, the agency uses the following methodologies.

☐ The income methodologies of the SSI program.

☐ The agency uses methodologies for treatment of income that are more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 4 to Attachment 2.6-A.

☒ The agency uses more liberal income methodologies than the SSI program. More liberal methodologies are described in Supplement 8a to Attachment 2.6-A.

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| Citation                                       | Condition or Requirement  |
|--|---|
| 1902(a)(10)(A)<br>(ii)(XVI) of the Act (cont.) | <p><u>Resource Methodologies</u></p> <p>In determining whether the individual meets the resource standard described above, the agency uses the following methodologies.</p> <p>Unless one of the following items is checked the agency, under the authority of section 1902(r)(2) of the Act, disregards all funds held in retirement funds and accounts, including private retirement accounts such as IRAs and other individual accounts, and employer-sponsored retirement plans such as 401(k) plans, Keogh plans, and employer pension plans. Any disregard involving retirement accounts is separately described in Supplement 8b to Attachment 2.6-A.</p> <p>_____ The agency disregards funds held in employer-sponsored retirement plans, but not private retirement plans.</p> <p>_____ The agency disregards funds in retirement accounts in a manner other than those listed above. The agency's disregards are specified in Supplement 8b to Attachment 2.6-A.</p> |

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| Citation                                       | Condition or Requirement  |
|--|---|
| 1902(a)(10)(A)<br>(ii)(XVI) of the Act (cont.) | <input checked="" type="checkbox"/> The agency does not disregard funds in retirement accounts.   |
|  | <input checked="" type="checkbox"/> The agency uses resource methodologies in addition to any indicated above that are more liberal than those used by the SSI program. More liberal resource methodologies are described in Supplement 8b to Attachment 2.6-A. |
|  | <input type="checkbox"/> The agency uses the resource methodologies of the SSI program.   |
|  | <input type="checkbox"/> The agency uses methodologies for treatment of resources that are more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 5 to Attachment 2.6-A.                                       |

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| Citation   | Condition or Requirement   |
|--|--|
| 1902(a)(10)(A)<br>(ii)(XVI) and 1905(v)(2)<br>of the Act | <u>Definition of Employed - Employed Medically<br/>Improved Individuals - TWWIIA</u> |

\_\_\_\_\_ The agency uses the statutory definition of "employed," i.e., earning at least the minimum wage, and working at least 40 hours per month.

X The agency uses an alternative definition of "employed" that provides for substantial and reasonable threshold criteria for hours of work, wages, or other measures. The agency's threshold criteria are described below:

The agency uses the statutory definition of "employed," i.e., earning at least the minimum wage and working at least 40 hours per month. For those individuals who are self-employed, the agency may also use the individual's earnings divided by the minimum wage to determine that the individual works at least 40 hours per month.

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|----------|--------------------------|
|----------|--------------------------|

1902(a)(10)(A)(ii)(XIII),  
(XV), (XVI), and 1916(g)  
of the Act

Payment of Premiums or Other Cost Sharing Charges

For individuals eligible under the BBA eligibility group  
described in No. 23 on page 23d of Attachment 2.2-A:

\_\_\_\_\_ The agency requires payment of premiums or  
other cost-sharing charges on a sliding scale  
based on income. The premiums or other  
cost-sharing charges, and how they are  
applied, are described below:

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| Citation   | Condition or Requirement   |
|--|--|
| 1902(a)(10)(A)(ii)(XIII),<br>(XV), (XVI), and 1916(g)<br>the Act (cont.) | <p>For individuals eligible under the Basic Coverage Group described in No. 24 on page 23d of Attachment 2.2-A, and of the Medical Improvement Group described in No. 25 on page 23d of Attachment 2.2-A:</p> <p>NOTE: Regardless of the option selected below, the agency MUST require that individuals whose annual adjusted gross income, as defined under IRS statute, exceeds \$75,000 pay 100 percent of premiums.</p> <p><u>X</u> The agency requires individuals to pay premiums or other cost-sharing charges on a sliding scale based on income. For individuals with net annual income below 450 percent of the Federal poverty level for a family of the size involved, the amount of premiums cannot exceed 7.5 percent of the individual's income.</p> <p>The premiums or other cost-sharing charges, and how they are applied, are described on page 12o.</p> |

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Citation

Condition or Requirement

Sections 1902(a)(10)(A)  
(ii)(XV), (XVI), and 1916(g)  
of the Act (cont.)

Premiums and Other Cost-Sharing Charges

For the Basic Coverage Group and the Medical Improvement Group, the agency's premium or other cost-sharing charges, and how they are applied, are described below.

Individuals eligible for Medicaid under this section will be subject to the following premium structure:

Premiums apply to all recipients. The monthly premium amount is 5% of the individual's net earned and unearned income.

Monthly premiums on net earned and unearned income calculated to be below \$10 will be waived for individuals.

The Department may waive the premium for a period of no longer than two months if good cause requirements are met.

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Supplement 8a  
to Attachment 2.6A

State/Territory: Pennsylvania

| Citation | Condition or Requirement |
|----------|--------------------------|
|----------|--------------------------|

Income Methodologies

The agency uses 1902(r)(2).  
Income of children and siblings is excluded.

The agency will cover children who are 16 and up to and including 18 years of age under this program by using only the income of the applicant. Parental income is disregarded in determining eligibility for children who are age 16 through 18 years of age.

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Supplement 8b  
to Attachment 2.6A

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Resource Methodologies

The agency disregards funds established in Family Savings Accounts (FSA), administered by the Department of Community and Economic Development.

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